



**Public Hearing Testimony before the Connecticut General Assembly's Housing Committee
Supporting H.B. 6588 An Act Concerning Rent Stabilization
February 21, 2023**

Honorable Co-Chairs, Representative Geoffrey Luxenberg and Senator Marylin Moore, Vice Chairs Maryam Khan and Matthew Lesser, and Ranking Members Tony Scott and Rob Sampson; and the entirety of the Housing Committee:

Thank you for the opportunity to submit this testimony in support of HB 6588: An Act Concerning Rent Stabilization, with recommendations for amending several elements of the bill as currently drafted. My name is Peter Harrison and I am the Director of DesegregateCT, a pro-homes coalition of neighbors and over 80 nonprofits and a program of the Regional Plan Association. We are dedicated to creating a more prosperous, equitable, and sustainable Connecticut through land use reforms at the local, regional, and state levels

Since 2021, DesegregateCT has adopted an "All of the Above" approach to addressing the housing crisis in CT. With nearly $\frac{1}{3}$ of homeowners and $\frac{1}{2}$ of homerenters in Connecticut paying more than 30% of their monthly income towards housing, the federal government threshold for designation as "housing cost burdened," we strongly advocate for increasing production of all kinds of homes through land use reforms, particularly in places with existing infrastructure and public transportation. This session we are focused on Work Live Ride.

At the same time, Desegregate CT also supports other housing policies that work in concert with land use reform to address the needs of residents across the entire housing spectrum - such as increased funding for homelessness services and the expansion of publicly owned homes. We believe firmly that a thoughtful rent stabilization system fits into this "All of the Above" approach to addressing the housing affordability crisis we face and is not implicitly at odds with increasing the supply of new homes.

Though many factors play into the housing crisis today, research from our state-wide Zoning Atlas has demonstrated how exclusionary, anti-homes land use policies have severely restricted the supply of new homes, especially more affordable rental options like duplexes, townhouses, small multi-family developments, and other "missing middle" types of homes. According to our CT Zoning Atlas, 91% of residentially zoned land in Connecticut allows single family homes as of right. Only 2% allows multi-family homes as of right. It is clear that homerenters in Connecticut are bearing the burden of land use policies that have unnaturally restricted the supply of rental homes.

In Connecticut, over the last few years, rents have been rising to unsustainable levels for many homerenters, in some cases by as much as 30% to 40%, causing many middle and low income households to forgo other critical needs, face eviction, or be forced to leave our state. Our state also has the lowest vacancy rate in the country. These increases and the plummeting vacancy rate are a collective catastrophe for working families, young people, people with disabilities, and seniors, but it is also a catastrophe for our collective economic and social prospects as a state. We stress that the long-term solution is a bevy of smart land use reforms that will unlock a large, diverse supply of new homes. In the short-term, homerenters need a measure of predictability and security through modest rent stabilization that will also protect incumbent homerenters in the long-term from displacement as new supply comes on line.

We believe that the 4% rent cap plus consumer price index is a reasonable measure in line with similar policies that have been enacted in other states. However, we have several suggestions on amendments to the proposed legislation that we believe will ensure that new supply continues to be created in Connecticut:

- *A permanent exemption of all new construction:* The 15 year window of exemption for new construction to fall under these protections should be removed to ensure that construction is not discouraged and that new supply continues to be created with rent stabilization serving to protect existing residents in older housing stock from displacement as prices increase around them. We feel that construction within the last 15 years should also be exempt.
- *A well defined Major Capital Improvements process:* Organizers of this proposal have commendably been clear that there must be a predictable process for a property owner who makes capital improvements to their buildings to be able to reasonably reflect those improvements in rents in order to ensure that landlords are not dis-incentivized from maintaining and upgrading their properties. We agree and wish to better understand how this process would work in order to maintain proper service and safety of rental properties, while not creating loopholes that some property owners could use to falsely attempt to raise rents without improvements.
- *Exemption of smaller properties:* Other versions of this bill have included an exemption for properties below 4 units and we think that should be added to this bill.

We believe that a nuanced approach to protecting existing homerenters from extreme rent increases can exist alongside a fair return for property owners, while focusing on



the most important goal - encouraging a significant and needed increase in new housing. This "All of the Above" approach is possible in Connecticut and will help us all by making Connecticut a more affordable place to live and work. Thank you for your consideration.

Respectfully,
Pete Harrison
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